

From the Director



Randy Hunt
State Director

We're nearing the end of our fiscal budgeting year and I wanted to take the opportunity to both congratulate and encourage Ohio's Rural Development staff to make our final service push as productive as we can.

Looking back, we can take pride in our co-sponsorship of Ohio's highly successful Broadband Conference. That effort helped promote the necessity of making Broadband available to all Ohioans.

We're also taking aim at boosting the state's awareness level of renewable energy alternatives and their importance to our overall energy policy. These two hot-button issues represent priorities Americans will repeatedly hear cited as critical for our nation's continued prosperity.

Rural Development's role is to actively contribute to achieving these objectives.

Rural Development Selects Site Manager of the Year



(From left) Ohio Rural Development State Director Randy Hunt congratulates Thom Robinson on his selection as Site Manager of the Year.

Each year, USDA Rural Development seeks nominations for outstanding site managers from each state. Property Manager Thom Robinson was chosen as the 2005 Outstanding Manager of a Rural Development subsidized project in Ohio. Among the many selection criteria used in choosing Robinson, the most important was tenant satisfaction.

Facility residents voiced their approval by sending glowing testimonials on Robinson's behalf. Another

criteria was curb appeal of the complex. "We can see how your site manager and you, the residents, have beautified the grounds and grew flowers everywhere," said State Director Randy Hunt. "Management has placed a lovely pergola at the front of the social hall, and a back porch added to the hall where - we understand - morning coffee is much enjoyed in the summer."

Robinson's District Manager Patricia Stewart said, "One only needs to stop by the Social Hall of Lodi Aristocrat and Ambassador Apartments any morning to realize that everyone there feels like they are part of a big family, the mood is always very cheerful. You have also made us aware through your letters about Thom's concern and commitment above and beyond what is expected, such as taking residents to the doctor, or stopping at the grocery for an ill resident, or just spending time on someone's porch after work spreading some cheer.

"This complex is fortunate to have Thom as property manager, but he is also most fortunate he has good, wonderful tenants like you who are happy living here."

Transforming Dreams

Rural Development Makes Home Ownership a Reality for Ohio Couple



Robert and Sherilyn Sutton exhibit joy in their new Rural Development financed home.

In 1991 Sherilyn and Robert Sutton arrived in Athens County, Ohio, finding housing scarce and expensive. Lacking a written lease, they were evicted from a farmhouse on which they did their own repairs. Adding to their misfortune, they

endured a series of unstable situations, with Robert traveling in search of construction work in Southeast Ohio. The family moved from motel to motel, and after finally running out of money, their church referred them to Good Works, an agency that provides shelter for the homeless.

In 1996, after agonizing over their financial plight, Robert made the tough decision to accept work in Alaska in an attempt to improve the family's economic status. Sherilyn and their two young children remained in Athens in the homeless shelter. Later that year, Sherilyn, a military veteran, and then a single head of household, found subsidized rental housing in Athens. She also found employment as an office manager with Good Works. Even as their situation gradually improved, Sherilyn dreamed of home ownership, but knew there was much to overcome. She spent the next four years carefully budgeting and paying off all debts. The family was eventually reunited.

As part of Good Works' community outreach, Sherilyn learned of Rural Development's Self-Help home ownership project north of the city of Athens. She soon found herself working at the "Ghost House", a Self-Help project for which several families had been approved, but were forced to withdraw for various reasons. Those withdrawals left the house without an owner. With help from

See *Transform* on p. 4

Rural Development News

Renewable Energy Initiatives Advance

USDA and U.S. Department of Energy will host a Renewable Energy Conference October 10-12, 2006 at America's Center in St. Louis, Missouri. The focus of the conference is to further the development of alternative energy sources to compliment America's Energy Policy. Ohio Rural Development is participating in the planning of a statewide renewable energy conference to develop local resources. The Ohio conference is slated for the November timeframe. Details will be announced as they are finalized.

Renewable Energy Applications Scored

A team of program specialists from across the nation has just completed a national review of all Renewable Energy project applications. More than 450 applications were reviewed and scored during the four-day process. Ohio submitted five applications totaling \$545,000 in grant requests. Last year two Ohio renewable energy projects received more than \$500,000 in funding through the program. \$11.5 million in grant funding and more than \$200 million in loan funding is available for the FY 2006.

Financing Assistance with Water Projects

Communities considering updating or replacing their water/sewer systems should contact Mr. Thomas Reinhold, senior vice president at JPMorgan Chase. Reinhold has proven experience in working financing packages which include Rural Development guaranteed loans. If your community is considering this type of infrastructure development contact Thomas Reinhold at 513-985-5118 for additional assistance.

USDA Water System Funding Allows for Fire Suppression

Did you know that a new or upgraded community water system may help reduce homeowner insurance rates for community residents? USDA, Rural Development now allows new and upgraded water systems to be sized for fire suppression.

New Interest Rate Structure Considered for Water/Waste Program

A new interest rate structure is scheduled to start October 1, 2006. Previously, market rate interest rates were established from a weekly bond index, and poverty rates were statutorily always 4.5%. The new rate structure uses the weekly bond index to establish

rates, but now market, intermediate, and poverty rates will be established from the bond index.

Market rates will be 100% of the bond index, intermediate rates will be 80% of the market rate, and poverty rates will be 60% of the market rate. **(See market rate example above)**

The new rate structure is tied to the 2007 Appropriations Bill, so there is a slight chance

Market Interest Rate Example

If the market rate from the bond index was 5%, then:

	<u>BEFORE</u>	<u>AFTER</u>
MARKET	5%	5%
INTERMEDIATE	4.75%	4%
POVERTY	4.5%	3%

of having the rate structure delayed. The change, if enacted, will give a huge boost to the activity in the USDA Water and Wastewater Program. We'll let you know the status as soon as it's approved.

Federal Programs Under Comprehensive Review

All Federal programs are now being reviewed and assessed using Program Assessment Rating Tool (PART). PART is a standard questionnaire that asks approximately 25 questions relating to the program's performance and management. The answers determine the program's overall rating. The program rating indicates how well a program is performing, so the public can see how effectively tax dollars are being spent. Programs that are **PERFORMING** have ratings of *Effective*, *Moderately Effective*, or *Adequate*. Programs

categorized as **NOT PERFORMING** have ratings of *Ineffective* or *Results Not Demonstrated*.

The most recent PART assessment for the USDA Rural Water and Wastewater Grants and Loans program is **EFFECTIVE**. Currently, 793 federal programs have been assessed, only 15% were rated in the *Effective* category.

For more information on other federal program PART ratings, go to: www.whitehouse.gov/omb/

Renewable Energy, Program Analysis Papers Released

Agriculture Secretary Mike Johanns released an analysis prepared by USDA economists of the department's Renewable Energy and Energy Efficiency Programs. This is the fourth in a series of subject areas that warranted a comprehensive examination based on comments received during last year's nationwide Farm Bill Forum listening tour.

The paper looks at all the potential sources of energy under agriculture's umbrella, from farm fields to pasture and forest lands. It also tracks the results of USDA's Renewable Energy and Energy Efficiency Programs and contemplates enhancements and alternatives to those programs. These alternatives do not represent specific farm bill proposals, but

instead are put forward to further public discussion.

In March 2006 Johanns announced the release of 41 papers summarizing the 4,000 comments received during 52 Farm Bill Forums, as well as those sent via mail and the Internet. Within those 41 papers emerged key themes USDA economists are studying in depth in preparation for 2007 farm bill discussions.

The first three theme papers covered Risk Management, Conservation and the Environment, and Rural Development. The fifth and final farm bill theme paper will examine opportunities to strengthen the foundation of U.S. agriculture.

The Renewable Energy analysis paper, as well as previously released analysis papers, are available at www.usda.gov/farmbill.

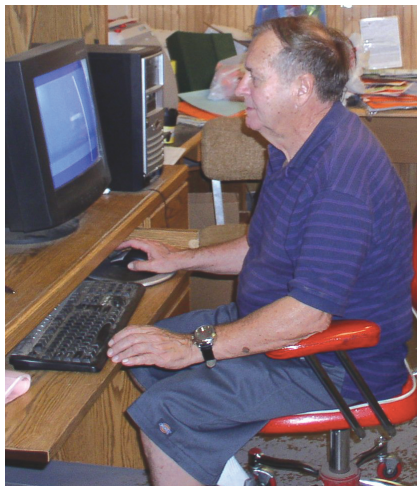
Business Computes Benefits of New Technology

Agape Church on the Move is a faith-based, non-profit organization which received a Rural Development Rural Business Enterprise Grant (RBEG). Agape used the grant to fund a technical assistance program focused on developing business skills encompassing computers and office automation.

Ralph Cockerill, "The Tire Man" as he is affectionately known, has operated his Washington Court House tire business for 46 years. Like most people in their 60s, he initially thought computers were just for kids. However, as his business grew he saw a real need to integrate computer use into his operation.

Ralph and his wife, Betty, were shopping downtown when they saw a flyer advertising project Rural Education Advancement Program (REAP) and inquired about the program before signing up. Ralph's primary interest was to see how he might use the computer in his tire business.

The instructor was very excited about the wealth of retail expertise Ralph possessed and eagerly investigated ways in which Ralph could incorporate computer usage. Ralph said, "A lot of people assume that because you own a business



Ralph Cockerill demonstrates some of his recently learned computer skills at his business.

you are very technically skilled, but that's not necessarily the case. It's just a matter of doing what you have always done and finding the right staff."

Ralph and Betty attended every class, becoming very close to all of the students while learning computer programs like Excel, Microsoft Word and FrontPage. They became competent enough to produce promotional brochures, business cards and even learned how to download sales forms they use to report to the State of Ohio. Looming in the future is a "Ralph the Tire Man" website.

Ralph and Betty's computer knowledge and confidence levels continue to grow as they practice and refine their newly acquired skills. They both use email on a regular basis and typically pick up computer programs at yard sales. They continue to look for ways to integrate the use of computers into their tire business, and are confident this new capability will become a big part of "Ralph the Tire Man's" business.

Ralph and Betty said participating in REAP taught them a lot and eagerly inquired about the possibility of attending the next available class. REAP has helped more than 40 students improve their business skills.

Transform cont. from p. 2

Three Rivers Housing Corporation, the Self-Help grantee, she quickly applied at the Marietta office of Rural Development in September 2005. Three weeks after applying she received a call from Marietta Underwriter Lacy Boney saying "Merry Christmas, you're eligible!" The Suttons' new home was completed March 24, 2006. Their pride in their home shows in the continued improvements they have made. Upgrades include a

home office and a fresh vegetable garden.

The years Sherilyn spent budgeting and paying off debt have helped create a wonderful quality of life and a stable, secure future for her family. "Although we've had it pretty tough, we dreamed of this moment for years, sometimes not really believing it would ever come true. My favorite part is that we know what's in these floors and in the walls, because we have built it ourselves."

Dates to Remember...

8/24 - Portsmouth, Ohio RBEG Seminar Scheduled

This is an instructional seminar to introduce new administrative funding and accountability procedures to existing customers. Contact Jennifer Sonnenberg at 614-255-2423 for additional information.

9/6 - Norwalk, Ohio RBEG Seminar Scheduled

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